

## National Endowment for the Arts

### Program-Specific Plan in Response to the American Recovery and Reinvestment Act of 2009, P.L. 111-5 ("Recovery Act")

In accordance with Section 2.8 of the Office of Management and Budget's April 3, 2009 Implementing Guidance for the American Recovery and Reinvestment Act of 2009, the National Endowment for the Arts (NEA) Program-Specific Recovery Act plan is as follows:

#### a. **Funding**

The National Endowment for the Arts received an appropriation of \$50 million under a single, new Treasury Account Number (59-0910-0102).

Treasury Account Symbol: Agency Code	Treasury Account Symbol: Account Code	Account Title	Total Appropriation
59	0102	National Endowment for the Arts: Grants and Administration, Recovery Act	\$50,000,000

Of these funds, the NEA anticipates using no more than \$500,000 (1%) for administrative and program support purposes such as costs associated with panels and travel, contractual support associated with our Information Technology operations, and staffing.

The remaining funds will be divided as required by the Recovery Act in a manner similar to current NEA practice:

- 60 percent for grants awarded directly by the NEA, on a competitive basis, to non-profit arts and related organizations.
- 40 percent to State arts agencies and regional arts organizations for subgranting through competitive and qualitative review

The NEA's Financial and Activity Reports, which are accessible in the "Recovery" section of the NEA's Web site at [www.nea.gov/recovery](http://www.nea.gov/recovery), track Total Obligations and Gross Outlays.

## **b. Objective**

The objective of Arts Endowment Recovery Act funding is **to preserve jobs in the nonprofit arts sector.**

This objective is consistent with the goals and objectives of the Arts Endowment's ongoing Agency programs and activities as outlined in the Agency's Strategic Plan. In the case of direct NEA grants (the 60%), the Agency's strategic goal #1 is Access to Artistic Excellence. One of the outcomes that contribute to this goal is: *Organizations enhance their ability to realize their artistic and public service goals.* Preserving jobs in the arts will directly impact an organization's stability and capability, thereby enhancing its ability to realize its artistic and public service goals.

In the case of grants to the State arts agencies (SAAs) and regional arts organizations (RAOs) for subgranting (the 40%), the Agency's strategic goal #3 is Partnerships for the Arts. One of the outcomes that contribute to this goal is: *Activities supported through partnerships with State arts agencies and regional arts organizations make the arts and arts education widely available.* By carrying out their own subgranting programs aimed at preserving jobs in the arts, the State arts agencies and regional arts organizations are enhancing the capacity of nonprofit arts groups throughout their respective States and regions to carry out their own arts programming and make the arts and arts education widely available.

Job preservation in the nonprofit arts sector benefits the individuals receiving salary or fee support and their employing organizations. As these organizations maintain their ability to provide valued services, the communities in which they are located ultimately benefit as well. As a recent study released by the National Governors Association, titled *Arts & the Economy: Using Arts and Culture to Stimulate State Economic Development*, states: "Arts and culture are important to State economies. Arts and culture-related industries, also known as 'creative industries,' provide direct economic benefits to States and communities: They create jobs, attract investments, generate tax revenues, and stimulate local economies through tourism and consumer purchases."

An organization is limited to receiving NEA Recovery Act funds through only one of the following sources: the Arts Endowment, a State arts agency, a regional arts organization, or a local arts agency that is eligible to subgrant funds. In addition, in line with OMB guidance, the NEA is mitigating risk and maximizing cost-effectiveness by limiting its applicants to previous grantees. These organizations have been vetted through the NEA's rigorous review system and have the demonstrated ability to deliver the results and accountability objectives of the Recovery Act.

## **c. Activities**

The Arts Endowment will use Recovery Act funds for grant making to nonprofit, tax-exempt 501(c)(3) U.S. organizations; units of State or local government; and federally-

recognized tribal communities or tribes for the preservation of jobs in the nonprofit arts sector.

**d. Characteristics**

For the 60 percent (approximately \$30 million) available for competitive grants:

The Arts Endowment will competitively award one-time, non-matching grants of \$25,000 or \$50,000 to nonprofit arts and related organizations. It will also award one-time, non-matching grants of \$100,000 or \$250,000 to designated governmental local arts agencies, eligible to subgrant, for their subgranting programs. In order to be eligible, an organization must have received an NEA grant within the previous four years. Eligible projects are limited to the following:

- Salary support (including fringe benefits), full or partial, for one or more positions that are critical to an organization's artistic mission and that are in jeopardy or have been eliminated as a result of the current economic climate.
- Fees for previously engaged artists and/or other contractual personnel to maintain or expand the period during which such persons would be engaged.

Applicant organizations may seek support for a single position, multiple positions, a single contractor, multiple contractual personnel, or any combination thereof. For organizations eligible to subgrant, a portion of the funds may also be used to cover the costs of implementing the subgranting program.

The direct beneficiaries of these grants will be the individuals receiving salary or fee support and the organizations and agencies that employ them. As these grantee institutions exist to serve the public, the communities involved will ultimately benefit by having a more robust arts environment that in turn contributes positively to local economies.

The NEA anticipates spending no more than \$300,000 of the \$30 million for administrative activities associated with support of the overall Recovery Act program. Approximately \$29.7 million would be available for competitive Recovery Act grants.

For the 40 percent (approximately \$20 million) available for State arts agencies and regional arts organizations:

The Arts Endowment will award one-time, non-matching grants ranging from \$25,000 to approximately \$500,000 to the 56 State and jurisdictional arts agencies. In addition, the Agency will award one-time, non-matching grants ranging from approximately \$385,000 to \$590,000 to the six regional arts organizations of the State arts agencies. Grant amounts were determined using current Partnership award processes that factor in both equal shares (as called for in the NEA's authorizing legislation) and population.

Funds to the SAAs and RAOs must be used for subgranting to eligible nonprofit organizations in their State or region. These special, one-time, non-matching subgrants must be used for salary support or fees for artists or other contractual personnel consistent with the requirements detailed in the bullets for the 60 percent for competitive grants above. SAAs and RAOs may use up to \$50,000 of the NEA grant funds for their own positions and/or for the administration of the subgranting program.

Here, again, the direct beneficiaries will be the individuals receiving salary or fee support, their employing organizations, and the SAAs and RAOs that were able to develop and implement subgranting programs as a result of the NEA Recovery Act assistance. The communities where the subgrantee organizations are located will ultimately benefit as well, in a manner similar to that noted for competitive grants above.

The NEA anticipates spending no more than \$200,000 of the \$20 million for administrative activities associated with support of the overall Recovery Act program. Approximately \$19.8 million would be available to the SAAs and RAOs.

#### Methodology for Award Selection

For Recovery Act awards, the Arts Endowment is using processes consistent with those used to determine award recipients under its annual appropriations.

- Development and posting of guidelines on Grants.gov and on the NEA's Web site.
- Submission of applications through Grants.gov.
- Review of applications by panels of citizen experts.
- Presentation of recommended applications to the National Council on the Arts for review and approval.
- Final decision on applications by the NEA Chairman, or Acting Chairman, as applicable.

#### **e. Delivery Schedule**

For the 60 percent available for competitive grants:

Program development	February/March 2009
Guidelines posted	March 2, 2009
Application deadline	April 2, 2009
Application review	April/May 2009
National Council on the Arts review and approval	June 26, 2009
Final decision by NEA Chairman or Acting Chairman	June 26, 2009
Grants awarded	July - September, 2009
Earliest project start date	July 1, 2009
Grantees' project periods	Generally, up to one year
Quarterly reporting by grantees	No later than 10 days after the end of each calendar quarter Recovery Act funding is received

Final Federal Financial reporting by grantees	No later than 90 days after project end date
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For the 40 percent available for State arts agencies and regional arts organizations:

Program development	February/March 2009
Guidelines posted	March 2, 2009
Application deadline	March 13, 2009
Application review	March 25, 2009
National Council on the Arts review and approval	March 27, 2009
Final decision by NEA Acting Chairman	March 27, 2009
Grants awarded	April - May, 2009
Earliest project start date	April 1, 2009
SAA/RAOs' project periods	Generally, up to two years
Quarterly reporting by awardees	No later than 10 days after the end of each calendar quarter Recovery Act funding is received
Final Federal Financial reporting by awardees	No later than 90 days after project end date

#### **f. Environmental Review Compliance**

All NEA awardees under the Recovery Act are subject to the *NEA's General Terms and Conditions*. That document's section on "National Policy and Other Legal Requirements, Statutes, and Regulations that Govern Your Award" includes information on the National Environmental Policy Act (NEPA) of 1969, the National Historic Preservation Act of 1966, and related statutes.

The NEA is preparing its NEPA procedures that will apply to its Recovery Act funds. Based on the types of projects that the NEA will be funding, the Agency expects that all Recovery Act grants will be categorically excluded and that environmental studies will not be required.

#### **g. Measures**

The Arts Endowment will measure jobs preserved (both salaried and contractual positions) in the nonprofit arts sector in accordance with Section 1512 of the Recovery Act and related OMB guidance. The Arts Endowment will collect the information from the quarterly reports and Final Federal Financial Reports submitted by grantees. Quarterly reports are due no later than 10 calendar days after the end of each calendar quarter during which Recovery Act funding is received during the grant period. Final Federal Financial Reports are due no later than 90 days following the end date of the grant period. For competitive grants, grant periods can start on or after July 1, 2009

and last up to one year. For SAAs and RAOs, grant periods can start on or after April 1, 2009 and run up to two years.

The NEA plans to measure jobs preserved for both its competitive grants (the 60%) and its grants to the SAAs and RAOs (the 40%). The NEA may examine this data by characteristics such as type of position, and geographic location and artistic discipline of grantee organization. The number of jobs preserved will be reported in terms of FTEs (full-time equivalents).

Grantees will use OMB's designated format and standard data elements to provide the required information electronically through a central Government-wide portal. Data collected will be analyzed and aggregated, and results will be made available to the public on the Recovery.gov site and on the Recovery section of the NEA's Web site at [www.arts.gov/recovery/](http://www.arts.gov/recovery/).

In the case of grants awarded to State arts agencies, regional arts organizations, and eligible governmental local arts agencies for subgranting programs, potential NEA awardees were alerted that they might be required to collect data from their own subgrantees, as well as to report on job preservation within their own organization, where relevant.

#### **h. Monitoring/Evaluation**

The Arts Endowment provides regular monitoring of all of its grants, including those that will be awarded using Recovery Act funds. Each grantee is required to submit a Progress Report at the point that its request for payment exceeds two-thirds of the total grant amount. Organizations receiving funds for salary support are asked to maintain time and effort reports where each affected employee keeps track on a regular basis (at least monthly) of the percentage of their time expended on an NEA grant. Grantees also are required to maintain copies of all contracts and related documents that they execute in connection with an NEA grant. The NEA's Grants & Contracts Office will conduct random samplings of Recovery Act grantees to verify compliance with these requirements.

As required by OMB, all Recovery Act grantees will provide quarterly reports to a central Government-wide portal no later than 10 calendar days after the end of each calendar quarter during which Recovery Act funding is received. In addition, all grantees are required to submit a Final Federal Financial Report no later than 90 days following the end of the grant period.

With appropriate access, the NEA will monitor the above reports to assure that projects are being carried out in accordance with the purposes of the Recovery Act and in compliance with the *NEA's General Terms and Conditions*. Through this monitoring, the NEA will be able to identify any cases of risk, and will work with grantees to rectify problematic situations. However, as eligible applicants were limited to previous grantees that have been vetted through the NEA's rigorous review system and have

demonstrated the ability to manage Federal funds appropriately, the Arts Endowment anticipates that the risk of low performance against the program objectives will be minimal.

In addition, the NEA's Office of Inspector General will be conducting random samplings of Recovery Act grantees. The Inspector General will examine compliance with applicable requirements at the pre-award stage, during the grant period, and after the period of support has ended.

The NEA does not currently have any specific plans for longer-term impact evaluation.

**i. Transparency**

The Arts Endowment intends to make both programmatic and financial information on its grant awards and on the jobs preserved fully available to the public. Interested parties should regularly check the "Recovery" section of the NEA Web site for the most up to date information on all aspects of the NEA's Recovery Act program. Weekly reports that track Recovery Act obligations and disbursements, as well as major Agency actions taken in support of the Recovery Act program, appear regularly. As Recovery Act grants are obligated, grant listings appear there as well. The NEA will also provide Recovery Act funding information for the USASpending.gov and Recovery.gov sites.

Finally, the quarterly reports that are required of all Recovery Act grantees will be provided electronically to a central Government-wide portal and made available to the public on Recovery.gov.

**j. Accountability**

The NEA Acting Chairman has designated Robert Frankel, NEA Acting Deputy Chairman for Grants & Awards, and Larry Baden, NEA Deputy Chairman for Management & Budget, as the co-leads and designated Agency officials for this program. In addition, the following has occurred:

- Designated senior staff consults regularly to track actions required to implement the Recovery Act and to assign responsibilities.
- A weekly meeting of key affected Agency staff has been implemented to provide for regular updates on the status of plans and actions.
- An intra-Agency work group has been established to assist with the application processing and grant award, monitoring, and payment components of the program.
- A new part-time, temporary position was allocated to, and has been filled by, the Grants & Contracts Office for an individual who will work exclusively on Recovery Act grants.

- A new position was allocated to the NEA Office of Inspector General to enable the Agency to recruit for an employee who will focus on the NEA and grantee implementation of the Recovery Act.
- A weekly meeting is held with the Inspector General to advise on progress and respond to any questions.

**k. Barriers to Effective Implementation**

The Arts Endowment does not anticipate that any statutory or regulatory requirements will impede effective implementation of its Recovery Act activities. Our current Agency personnel have the skills required to implement NEA Recovery Act activities. Because of added demands, however, the NEA may need to engage some additional temporary staff or contractual help, especially in the area of Information Technology.

**l. Federal Infrastructure Investments**

Due to the limited and focused nature of the Arts Endowment's Recovery Act grants, compliance with energy efficiency and green building requirements is not applicable.